

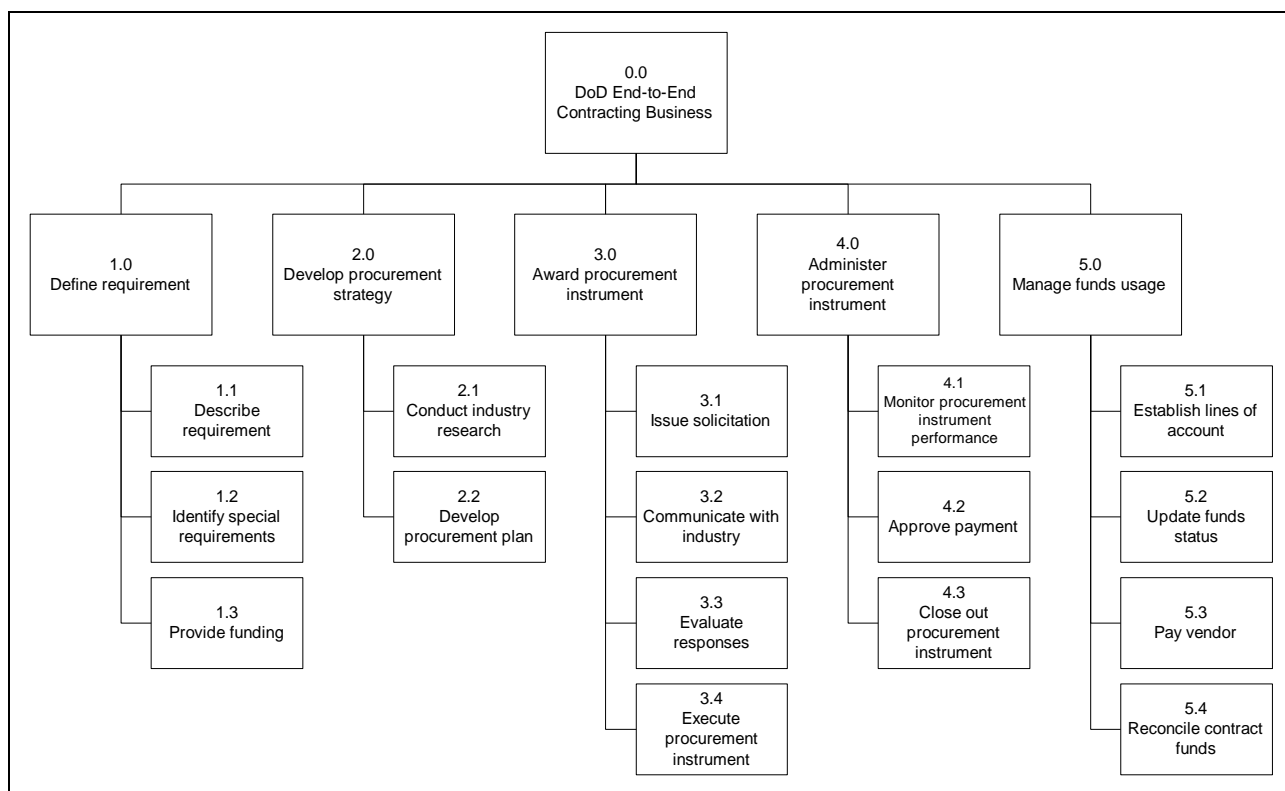
SECTION 3

PROCESS COMPOSITION

The DoD End-to-End Contracting Business Process Composition describes the “as-is” business processes performed to identify, acquire, and financially account for goods and services acquired from industry. Figure 3-1 graphically depicts the Process Composition. The Process Composition is organized like an outline and presents descriptions and objectives for each of the first-level processes (e.g., 1.0, Define requirement). The second-level processes (e.g., 1.1, Describe requirement) are described in more detail, including a description and objective, an identification of the responsible roles, the steps, and the related inputs and outputs.

Where clearly discernible, roles have been denoted as primary (with a “P”) or as advisory (with an “A”). The steps detailed in the Process Composition are not intended to be all-inclusive, nor do they necessarily imply order.

Figure 3-1, Process Composition



PROCESS SUMMARY

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PROCESS DETAIL

Process: **0.0 End-to-end contracting business**
Description: Activities required to identify, acquire, and financially account for goods and services from industry. Goods and services within this scope are major weapons systems and spares to support major weapons systems
Objective: To supply DoD with goods and services for major weapons systems and spares to support its mission

Process: **1.0 Define requirement**
Description: The process of describing the business need
Objective: To ensure the need is accurately stated

Process: **1.1 Describe requirement**
Description: The process of identifying what is needed, how many are needed, and how and when it needs to be delivered
Objective: To accurately describe the details of the business need
Responsible role(s): Contracting Office (A)
Requiring Office (P)
Steps:

1. Specify hardware/software/service deliverable
2. Specify contract data requirements
3. Specify delivery/destination schedule
4. Specify inspection/acceptance requirements
5. Specify packaging/marketing requirements

Inputs: Modification requirement
Project directive
Requirement
Specifications
Outputs: Requirement description

Process: 1.2 Identify special requirements**Description:** The process of determining additional conditions relating to the requirement**Objective:** To ensure all details of the requirement have been defined**Responsible role(s):** Contracting Office
Requiring Office (P)**Steps:**

1. Develop warranty arrangements
2. Define arrangements for GFP
3. Determine technical data rights
4. Determine other special requirements

Inputs: Requirement description**Outputs:** Draft procurement package

Process: 1.3 Provide funding**Description:** The process of determining the funding source(s) and reserving funds for the selected procurement strategy**Objective:** To ensure the availability of proper funds**Responsible role(s):** Financial Manager (P)
Requiring Office**Steps:**

1. Determine budget requirements
2. Identify appropriate funds
3. Reserve funds (official or memorandum)
4. Certify funds availability

Inputs: Accounting citation
Commitment acknowledgment
Modification requirement
Requirement
Draft procurement package
Status of funds**Outputs:** Funds certification
Request for funds reservation

Process: **2.0 Develop procurement strategy**
Description: The process of determining how the business need will be met
Objective: To identify a strategic means of fulfilling the business requirement

Process: **2.1 Conduct industry research**
Description: The process of gathering information regarding industry's capabilities
Objective: To understand what the market has to offer
Responsible role(s): Contracting Office
Industry
Requiring Office
Steps:
1. Research product offerings
2. Research market standings of products
3. Conduct pre-solicitation conference
Inputs: Industry publications and inputs
Requirement
Outputs: Capabilities

Process: **2.2 Develop procurement plan**
Description: The process of determining how to meet the business need
Objective: To select the best procurement plan to meet the business need
Responsible role(s): Contracting Office
Requiring Office
Steps:
1. Select procurement method(s)
2. Select contract type(s)
3. Obtain approval
Inputs: Capabilities
Draft procurement package
Outputs: Procurement package
Procurement plan

Process: **3.0 Award procurement instrument**
Description: The process of creating and executing a legal, binding agreement for goods and services
Objective: To establish a procurement instrument which effectively satisfies the business need

Process: **3.1 Issue solicitation**
Description: The process of describing the goods and services needed and the selection method to industry
Objective: To convey the business need to industry
Responsible role(s): Contracting Office (P)
Requiring Office
Steps:

1. Validate procurement requirement
2. Determine potential sources
3. Develop solicitation and source selection plan
4. Obtain approvals
5. Release solicitation/amendment

Inputs:
Contract administration advice
Funds certification
Minor modification requirement
Payment advice
Procurement package
Procurement plan
Outputs:
Solicitation
Source selection plan

Process:	3.2 Communicate with industry
Description:	The process of communicating with potential vendors in the pre-proposal stage
Objective:	To provide information to and collect information from vendors
Responsible role(s):	Contract Administration Office Contracting Office (P) Industry Requiring Office
Steps:	1. Conduct pre-proposal conference 2. Conduct site visit 3. Evaluate industry comments
Inputs:	Need for clarification Solicitation Source selection plan
Outputs:	Clarifications

Process:	3.3 Evaluate responses
Description:	The process of selecting the source
Objective:	To select the offer which best meets the business need
Responsible role(s):	Contract Administration Office Contracting Office Requiring Office
Steps:	<ol style="list-style-type: none">1. Receive/control response2. Evaluate technical proposal3. Evaluate price/cost4. Evaluate terms and conditions5. Evaluate past performance6. Determine competition range7. Negotiate terms8. Recommend/determine best offer9. Obtain contractor's signature on conformed contract
Inputs:	Audit report - proposal Clarifications Contractor past performance Contractor-proposed minor modification Contractor systems status Field pricing report Source selection plan Vendor response
Outputs:	Agreement Audit request - proposal Need for clarification Request for pre-award survey

Process: **3.4 Execute procurement instrument**
Description: The process of awarding the procurement instrument
Objective: To enter into an agreement with industry for goods and services
Responsible role(s): Contract Administration Office
Contracting Office
Steps:

1. Determine responsibility
2. Prepare award instrument
3. Sign instrument and obligate funds
4. Notify and debrief offerers

Inputs: Agreement
Funds certification
Pre-award survey
Outputs: Award
Notifications

Process: **4.0 Administer procurement instrument**
Description: The process of managing performance under a procurement instrument
Objective: To ensure that the parties meet their obligations

Process:	4.1 Monitor procurement instrument performance
Description:	The process of tracking progress of the procurement instrument
Objective:	To ensure terms are being met
Responsible role(s):	Contract Administration Office Contracting Office Requiring Office
Steps:	<ol style="list-style-type: none">1. Define post-award strategy (e.g., surveillance plans and post-award conference)2. Analyze performance<ol style="list-style-type: none">a) Monitor technical performanceb) Monitor delivery schedulec) Analyze cost performanced) Conduct reviews3. Inspect/accept goods and services4. Identify need to modify the procurement instrument or take or approve other action
Inputs:	Acceptance request Audit report Award Performance Receipt
Outputs:	Acceptance Contractor-proposed minor modification Identification of withholds Minor modification requirement Modification requirement Performance report card

Process:	4.2 Approve Payment
Description:	The process of reviewing/approving awardee request for payment
Objective:	To authorize payment to awardee
Responsible role(s):	Contract Administration Office Contracting Office DCAA Requiring Office
Steps:	<ol style="list-style-type: none">1. Ensure payment request complies with terms and conditions2. Ensure awardee is in compliance with other terms and conditions (e.g., previous withholding agreement and loss ratio)3. Approve/modify/reject payment request
Inputs:	Financing payment request requiring approval Identification of withholds Public voucher
Outputs:	Approved financing payment request Approved public voucher Progress pay master

Process:	4.3 Close out procurement instrument
Description:	The process of ensuring that the parties have completed all the obligations
Objective:	To ensure all activities have been completed and all obligations have been met
Responsible role(s):	Accounting Office Contract Administration Office Contracting Office DCAA Financial Manager Industry Payment Office Requiring Office
Steps:	<ol style="list-style-type: none">1. Resolve open issues (e.g., audit, property, payment, intellectual property rights, discrepancies, delivery, security, and value engineering change requests)2. Prepare close out documentation3. Retire procurement file
Inputs:	Acceptance Award Notice of financial reconciliation Performance
Outputs:	Closed accounting files Closed contract administration files Closed contract audit files Closed contract file Closed financial files Closed payment files Closed program management files

Process:	5.0 Manage funds usage
Description:	The process of managing funds availability, commitment, obligation, and disbursement for goods and services
Objective:	To ensure funding is properly managed throughout the acquisition process

Process: 5.1 Establish lines of account

Description: The process of identifying funds and completing discretionary managerial data elements of the long line of accounting

Objective: To support reporting requirements

Responsible role(s): Financial Manager

Steps:

1. Identify funds to be used
2. Identify reporting requirements
3. Complete managerial detail in the lines of accounting according to the established structure

Inputs: Budget authority
Project directive

Outputs: Accounting citation

Process: 5.2 Update funds status

Description: The process of validating and tracking the use of dollars through the procurement stages

Objective: To ensure fund usage is accurately documented

Responsible role(s): Accounting Office
Financial Manager

Steps:

1. Review funding document
2. Ensure funds availability
3. Record commitment, obligation, disbursement, and accounts payable

Inputs: Acceptance
Accounting citation
Accounting corrections
Award
Budget authority
Disbursing office voucher
Prevalidation request
Request for funds reservation

Outputs: Accounting data
Commitment acknowledgment
Prevalidation response
Status of funds

Process:	5.3 Pay vendor
Description:	The process of remunerating a provider for goods and services rendered or interim progress towards delivery of goods and services
Objective:	To ensure funds are disbursed to the appropriate vendor
Responsible role(s):	Payment Office
Steps:	<ol style="list-style-type: none">1. Verify entitlement2. Calculate payment3. Verify funds availability4. Issue payment5. Issue and collect demands
Inputs:	Award Acceptance Approved financing payment request Approved public voucher Authorization for direct billing Check Commercial invoice Direct public voucher EFT instructions Financing payment request Financial corrections Identification of withholds Prevalidation response Progress pay master
Outputs:	Demand letter Disbursing office voucher Financial data Payment and remittance advice Prevalidation request

Process:	5.4. Reconcile contract funds
Description:	The process of identifying and resolving any discrepancies between the award, disbursement, and accounting records
Objective:	To ensure funding records are in sync
Responsible role(s):	Accounting Office Financial Manger Payment Office
Steps:	1. Reconcile payments 2. Determine de-obligation
Inputs:	Accounting data Award Financial data
Outputs:	Accounting corrections Financial corrections Notice of financial reconciliation
